

**STATE BOARD OF EQUALIZATION**  
**BEFORE THE ADMINISTRATIVE JUDGE**

IN RE: Mid-State Brokerage, Inc. )  
Map 081-15-0, Parcel 271.00 ) Davidson County  
Commercial Property )  
Tax Year 2005 )

## INITIAL DECISION AND ORDER

## Statement of the Case

The subject property is presently valued as follows:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$7,500	\$86,000	\$93,500	\$37,400

An Appeal has been filed on behalf of the property owner with the State Board of Equalization on September 26, 2005.

This matter was reviewed by the undersigned administrative law judge pursuant to Tennessee Code Annotated (T.C.A.) §§ 67-5-1412, 67-5-1501 and 67-5-1505. This hearing was conducted on December 16, 2006, at the Davidson County Property Assessor's Office. Present at the hearing were Bruce Bodor, the taxpayer's representative and Mr. Jason Poling, Residential Appraiser, Division of Assessments for the Metro. Property Assessor.

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

Subject property consists of a Duplex located at 1509 14<sup>th</sup> Ave. North in Nashville, Tennessee.

The taxpayer's representative, Mr. Bodor, contends that the property is worth \$55,000 based on "not only on sales, but on the unique factors which are distinct to each neighborhood".<sup>1</sup>

The assessor contends that the property supports a value of \$97,500. In support of this position, three comparable sales were introduced and is marked as exhibit number 2 as part of the record in this cause.

The representative is a “licensed Real Estate Affiliate Broker, consultant, and investor”, whom presented documentation with three (3) MLS listings of duplexes. Mr. Bodor contends that the county’s exhibits are in relatively better neighborhoods than the subject property. He believes that the county should “make adjustments because of the location of the subject, in an economically depressed neighborhood and that there have been no major renovations on the subject”. Mr. Bodor further contends that the left

<sup>1</sup> Taxpayer's exhibit number 1, page 1.

side of the property was vacant for approximately 9 months in 2005, there are 2 drug houses close to the subject and that there is a 'burn out' across the street from the subject. He believes that all of these 'factors' should be taken into account in the valuation of the property.

The germane issue is the value of the property as of January 1, 2005. The basis of valuation as stated in T.C.A. § 67-5-601(a) is that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values . . . ."

General appraisal principles require that the market, cost and income approaches to value be used whenever possible. Appraisal Institute, *The Appraisal of Real Estate* at 50 and 62. (12th ed. 2001). However, certain approaches to value may be more meaningful than others with respect to a specific type of property and such is noted in the correlation of value indicators to determine the final value estimate. The value indicators must be judged in three categories: (1) the amount and reliability of the data collected in each approach; (2) the inherent strengths and weaknesses of each approach; and (3) the relevance of each approach to the subject of the appraisal. *Id.* at 597-603.

The value to be determined in the present case is market value. A generally accepted definition of market value for ad valorem tax purposes is that it is the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arm's length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used. *Id.* at 21-22.

The sales comparison approach is considered the most reliable method of determining the market value of residential property<sup>2</sup>. The representative from the county showed through his comparable sales that the county's values are within range of the County Board's values.<sup>3</sup>

After having reviewed all the evidence in this case, the administrative judge finds that the subject property should be valued at \$93,500 based upon the presumption of correctness from the Davidson County Board of Equalization.

The administrative judge is of the opinion that the taxpayer has failed to sustain his burden.

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<sup>2</sup> While this is technically an income producing property neither side presented evidence using this approach to value.

<sup>3</sup> The comparable sales actually showed the value to be \$97,500, however, the county did not request the values be increased only that the County Board's values be maintained.

ORDER

It is therefore ORDERED that the following value and assessment be adopted for tax year 2005:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$7,500	\$ 86,000	\$93,500	\$37,400

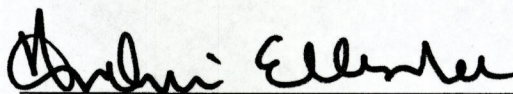
It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or
3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 23rd day of January, 2007



ANDREI ELLEN LEE  
ADMINISTRATIVE JUDGE  
TENNESSEE DEPARTMENT OF STATE  
ADMINISTRATIVE PROCEDURES DIVISION

c: Mr. Bruce Bodor  
Jo Ann North, Assessor of Property